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Cameron Motors (Perth) Limited

Financial statements

31 May 2007

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Cameron Motors (Perth) Limited
Financial statements - 31 May 2007

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Cameron Motors (Perth) Limited

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 31 May 2007

Principal activities

The principal activities of the company continued to be the buying and selling of new and used motor vehicles, the supply of spare parts and vehicle servicing associated with its Volkswagen franchise

Review of the business and future developments

The directors are pleased to report another very successful trading year

All operating departments, namely new and used vehicle sales, service and parts, have shown growth during the year and this has resulted in an improved financial position for the company at the year end

Sales have risen year on year by 4 per cent despite the competitive trading environment in which the company operates

Overall operating profit has increased to £123,356 from £97,282 and profit before taxation has risen to £96,878 The profit after taxation was £75,838 (2006 £60,477)

There has been a strong net cash inflow from operating activities with an increase in cash of £278,262 in the year

The business environment will remain competitive and challenging in the future However, the directors are satisfied that the company is in a strong position to meet all future developments in the retail motor sector

There have been no events since the balance sheet date which materially affect the position of the company

Directors

The directors who held office during the year were as follows

I D Cameron (Chairman)
W D Anderson
P Stewart

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Cameron Motors (Perth) Limited

Directors' report (continued)

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to re appoint Friend LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 6 November 2007.

Signed on behalf of the directors



I D Cameron
Chairman

Independent auditors' report to the shareholder of Cameron Motors (Perth) Limited

We have audited the financial statements of Cameron Motors (Perth) Limited for the year ended 31 May 2007 which comprise the profit and loss account, the balance sheet and the related notes as set out on pages 7 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 1 and 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the shareholder of Cameron Motors (Perth) Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Friend up

Friend LLP
Chartered Accountants and Registered Auditors

Quayside
252 260 Broad Street
Birmingham
B1 2HF

6 November 2007

Cameron Motors (Perth) Limited

Profit and loss account - for the year ended 31 May 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Turnover	1	14,495,104	13,873,177
Cost of sales		(13,073,541)	(12,477,755)
Gross profit		1,421,563	1,395,422
Other income		703,602	644,933
Administrative expenses		(2,001,809)	(1,943,073)
Operating profit		123,356	97,282
Interest receivable	2	16,449	21,071
Interest payable	2	(42,927)	(39,907)
Profit on ordinary activities before taxation	2	96,878	78,446
Tax on profit on ordinary activities	4	(21,040)	(17,969)
Profit on ordinary activities after taxation	12,13	£75,838	£60,477

None of the company's activities were acquired or discontinued during the above two financial years

The company has no recognised gains or losses other than the profit or loss for the above two financial years

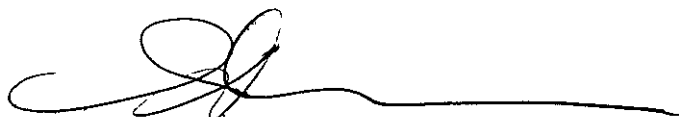
The notes on pages 7 to 13 form part of these financial statements

Cameron Motors (Perth) Limited

Balance sheet at 31 May 2007

	Notes	£	2007 £	2006 £
Fixed assets				
Tangible assets	6		530,995	536,198
Current assets				
Stocks held for resale	7	2,786,651		1,951,076
Debtors	8	1,860,902		2,031,912
Cash at bank and in hand		689,926		411,664
		5,337,479		4,394,652
Creditors amounts falling due within one year	9	(2,886,467)		(2,026,567)
Net current assets			2,451,012	2,368,085
Total assets less current liabilities			2,982,007	2,904,283
Provisions for liabilities and charges				
Deferred taxation	10		(58,579)	(56,693)
Net assets			<u>£2,923,428</u>	<u>£2,847,590</u>
Capital and reserves				
Called up share capital	11		20,000	20,000
Profit and loss account	12		2,903,428	2,827,590
Equity shareholder's funds	13		<u>£2,923,428</u>	<u>£2,847,590</u>

These financial statements were approved by the board of directors on 6 November 2007 and signed on its behalf



I D Cameron
Director

The notes on pages 7 to 13 form part of these financial statements

Cameron Motors (Perth) Limited

Notes to the financial statements - 31 May 2007

1. Accounting policies

The financial statements are prepared under the historical cost convention, on a going concern basis, and in accordance with the Companies Act 1985 and applicable accounting standards

The company has taken advantage of the exemption allowed under FRS1 from the requirements to prepare a cashflow statement as it is a wholly owned subsidiary. The company is consolidated within the financial statements of Cameron Motors (Scotland) Limited

The principal accounting policies of the company, which remain unchanged from the previous year, are set out below

a) Turnover

Turnover comprises income from sales and work done, excluding value added tax. All turnover is derived from the company's principal activities and is wholly within the United Kingdom

b) Tangible fixed assets

Depreciation is calculated, on an annual basis, so as to write off the cost of tangible fixed assets over their expected useful lives, as follows

Property improvements	2% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	10% reducing balance
Computer equipment	25% straight line

c) Stocks

Stocks are stated at the lower of cost and net realisable value. In accordance with Financial Reporting Standard No 5 stocks include vehicles on consignment from the manufacturer

d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and is therefore recognised only when, and to the extent that, on the basis of all available evidence it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

e) Pensions

The company operates pension schemes providing benefits based on defined contributions. The assets of the schemes are held separately from those of the company, being invested with insurance companies. Contributions to the schemes are charged to the profit and loss account as incurred

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	<u>2007</u> £	<u>2006</u> £
Depreciation of tangible fixed assets	43,681	42,856
Auditors' remuneration	11,375	11,375
Other interest payable	42,927	39,907
Bank interest receivable	(16,449)	(21,071)
Profit on disposal of tangible fixed assets	<u>(1,492)</u>	<u></u>

3. Directors and employees

	<u>2007</u> £	<u>2006</u> £
Directors' remuneration		
Emoluments	433,429	361,456
Contributions to money purchase pension schemes	30,795	138,319
	<u>£464,224</u>	<u>£499,775</u>

The emoluments of directors disclosed above include the following amounts paid in respect of the highest paid director

	<u>2007</u> £	<u>2006</u> £
Emoluments	316,000	313,000
Contributions to money purchase pension schemes		
	<u>£316,000</u>	<u>£313,000</u>

	<u>2007</u> Number	<u>2006</u> Number
During the year the following number of directors accrued benefits under money purchase pension schemes	<u>2</u>	<u>3</u>

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

3. Directors and employees (continued)

	<u>2007</u> £	<u>2006</u> £
Staff costs comprise		
Wages and salaries	1,416,231	1,328,102
Social security costs	150,388	137,332
Other pension costs	56,816	152,740
	<u>£1,623,435</u>	<u>£1,618,174</u>

The average number of employees (including directors) during the year was 54 (2006 52)

4 Tax on profit on ordinary activities

	<u>2007</u> £	<u>2006</u> £
Corporation tax payable based on the results for the year at 19.2% (2006 19%)	19,154	13,638
Current tax charge	19,154	13,638
Deferred taxation provided	1,886	4,331
	<u>£21,040</u>	<u>£17,969</u>

The current tax charge for the year is at a different rate from the standard rate of corporation tax in the UK for companies of this size. The difference is explained below

	<u>2007</u> £	<u>2006</u> £
Profit on ordinary activities before taxation	96,878	78,446
Profit on ordinary activities multiplied by the applicable standard rate of corporation tax at 30% (2006 30%)	29,063	23,534
Expenses not deductible for tax purposes (mainly entertaining)	789	338
Depreciation on items not qualifying for capital allowances	2,012	1,993
Capital allowances in excess of depreciation on qualifying items	(1,886)	(744)
Other timing differences		(3,587)
Small companies' relief	(10,824)	(7,896)
Current tax charge for the year	<u>£19,154</u>	<u>£13,638</u>

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

5. Dividend

	<u>2007</u>	<u>2006</u>
Dividend of £nil per share paid in the year (2006 £2 50 per share)	<u>£</u>	<u>£50,000</u>

6 Tangible fixed assets

	<u>Property improvements</u> £	<u>Plant and equipment</u> £	<u>Fixtures and fittings</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost					
At 1 June 2006	538,006	292,301	247,201	32,856	1,110,364
Additions		36,232	274	5,280	41,786
Disposals		(4,950)			(4,950)
At 31 May 2007	538,006	323,583	247,475	38,136	1,147,200
Accumulated depreciation					
At 1 June 2006	183,832	201,708	170,689	17,937	574,166
Charge for the year	10,760	17,969	8,716	6,236	43,681
Eliminated on disposals		(1,642)			(1,642)
At 31 May 2007	194,592	218,035	179,405	24,173	616,205
Net book value					
At 31 May 2007	£343,414	£105,548	£68,070	£13,963	£530,995
At 31 May 2006	£354,174	£90,593	£76,512	£14,919	£536,198

The property improvements relate to buildings erected on land owned by an associated company, Ian H Cameron Limited

7. Stocks

	<u>2007</u> £	<u>2006</u> £
New vehicles	142,983	252,701
Used vehicles	1,705,709	1,220,547
Parts	92,911	72,613
Paint, consumables and work in progress	21,363	17,545
Consignment vehicles	823,685	387,670
	<u>£2,786,651</u>	<u>£1,951,076</u>

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

8. Debtors

	<u>2007</u> £	<u>2006</u> £
Amounts falling due within one year		
Trade debtors	262,599	196,096
Other debtors (amounts owed by related companies see note 15)	1,457,733	1,754,598
Prepayments and accrued income	140,570	81,218
	<u>£1,860,902</u>	<u>£2,031,912</u>

9. Creditors amounts falling due within one year

	<u>2007</u> £	<u>2006</u> £
Trade creditors	1,371,936	755,760
Other creditors (amounts owed to related companies see note 15)	142,240	265,948
Corporation tax	19,154	13,638
Other taxes and social security	90,473	222,719
Directors' current accounts	101,860	1,067
Accruals	337,119	379,765
Consignment stock creditor	823,685	387,670
	<u>£2,886,467</u>	<u>£2,026,567</u>

10 Deferred taxation

Full provision has been made at 30% (2006 30%) for the potential taxation arising in respect of

	<u>2007</u>	<u>2006</u>
Capital allowances in excess of depreciation	<u>£58,579</u>	<u>£56,693</u>
Movement in provision during the year		£
At 1 June 2006		56,693
Provided during the year		1,886
At 31 May 2007		<u>£58,579</u>

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

11. Share capital

	<u>2007</u>	<u>2006</u>
Ordinary shares of £1 each		
Authorised, issued and fully paid	<u>£20,000</u>	<u>£20,000</u>

12 Profit and loss account

	£
At 1 June 2006	2,827,590
Retained profit for the year	75,838
	<u> </u>
At 31 May 2007	<u>£2,903,428</u>

13. Reconciliation of movements in equity shareholder's funds

	<u>2007</u> £	<u>2006</u> £
Profit on ordinary activities after taxation	75,838	60,477
Dividend paid		(50,000)
	<u> </u>	<u> </u>
Increase in shareholder's funds	75,838	10,477
Opening shareholder's funds as restated	2,847,590	2,837,113
	<u> </u>	<u> </u>
Closing shareholder's funds	<u>£2,923,428</u>	<u>£2,847,590</u>

14 Pension costs

The company operates a number of defined contribution pension schemes. The assets are held separately from those of the company in both independently and self administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £56,816 (2006 £152,740). At 31 May 2007 there were no amounts payable to the funds (2006 £nil).

15. Related companies

Amount owed by company under common control

	<u>2007</u>	<u>2006</u>
Douglas Cameron (Perth) Limited	<u>£1,457,733</u>	<u>£1,754,598</u>

Cameron Motors (Perth) Limited

Notes to the financial statements (continued)

15. Related companies (continued)

Amounts owed to companies under common control

	<u>2007</u> £	<u>2006</u> £
Douglas Cameron (Perth) Limited	1,878	33,205
Inveralmond Motors Limited		93,208
Ian H Cameron Limited	140,362	139,535
	£142,240	£265,948

16. Parent company

The company is a wholly owned subsidiary of Cameron Motors (Scotland) Limited, a company registered in Scotland